

GENERAL GOVERNMENT

OVERVIEW

The departments, boards, and commissions under Subcommittee 2's jurisdiction are:

- Office of Emergency Services (OES)
- Native American Heritage Commission (NAHC)
- California Horse Racing Board (CHRB)
- Department of Food & Agriculture (CDFA)
- Seismic Safety Commission (SSC)
- California Law Review Commission (CLRC)
- Commission on Uniform State Laws (CUSL)

The CHRB, and the NAHC all have reasonable reductions or fund shifts proposed and will not be discussed. The OES, the CDFA, the SSC, the CLRC, and the CUSL all have significant proposals that warrant discussion.

0690 Office of Emergency Services

The Office of Emergency Services (OES) coordinates emergency activities to save lives and reduce property losses during disasters and acts as the state's conduit for federal assistance related to recovery from disasters. OES provides leadership assistance and support to state and local agencies in planning and preparing for the most effective use of federal, state, local, and private resources in emergencies. The emergency planning is based on a system of mutual aid in which a jurisdiction first relies on its own resources and then call for assistance from its neighbors.

The budget proposes total expenditures of \$651.9 million (\$58.8 million General Fund) for state operations and local assistance, a decrease of \$71.5 million (9.9 percent) below the current year. As can be seen in the table below, the majority (\$66 million) of this reduction is due to a decrease in federal funds. In the last several years, the federal government has used an accelerated payment schedule in order to pay out existing disaster claims. As a result of this effort, the number of claims for disaster assistance is anticipated to decrease in the budget year.

Summary of Expenditures (dollars in thousands)	2002-2003	2003-2004	\$ Change	% Change
General Fund	\$56,110	\$50,847	-\$5,263	-9.4
Other Funds	4,720	3,798	-922	-19.5
Federal Trust Fund	660,511	595,178	-65,333	-9.9
Reimbursements	2,113	2,113	0	0.0
Total	\$723,454	\$651,936	-\$71,518	-9.9

Highlights

General Fund Reductions. The budget proposes General Fund reductions of \$8.1 million in the budget year. Most of the reduction is attributed to \$5.1 million in reduced local assistance, although the

remaining \$3 million will cause significant staff reductions in the Pasadena office and North Coast office, including the elimination of the Annual Earthquake Campaign and the Dam Safety Program. The office states that these reductions will “severely hinder OES’s public safety mission and its ability to fulfill its proactive role in a manner that the public has rightfully come to expect.”

8570 Department of Food and Agriculture

The department promotes and regulates the state's agricultural industry through:

- Eradication and control of harmful plant and animal pests and diseases.
- Marketing, exporting, and other related assistance for various agricultural commodities.
- Assurance of true weights and measures in commerce.
- Financial and administrative assistance to the state's 80 district, county, and citrus fairs.

The budget proposes total expenditures of \$269.3 million (\$86.6 million General Fund) a decrease of \$32.3 million (10.7 percent) from the current-year budget.

Summary of Expenditures (dollars in thousands)	2002-2003	2003-2004	\$ Change	% Change
<i>State Operations & Local Assistance</i>				
General Fund	\$91,970	\$86,598	-\$5,372	-5.8
Agriculture Fund, Totals	96,645	93,381	-3,264	-3.4
Agricultural Export Promo Acct	600	600	0	0.0
Fairs and Exposition Fund	19,238	19,826	588	3.1
Satellite Wagering Account	12,663	12,599	-64	-0.5
Harbors & Watercraft Rev Fund	989	1,171	182	18.4
Agriculture Building Fund	1,606	1,606	0	0.0
Agriculture Building Fund, Sect. 625	90	90	0	0.0
Less expenditures already reflected in other appropriations for CDFA	(1,696)	(1,696)	0	0.0
Other Funds	1,466	1,000	-466	-31.8
Federal Trust Fund	65,891	42,681	-\$23,210	-35.2
Reimbursements	8,498	7,638	-860	-10.1
Pierce's Disease Management Account	20,736	20,936	200	1.0
Less Funding Provided by the General Fund/Federal Trust Fund	(17,396)	(17,403)	(7)	0.0
Total	\$301,300	\$269,027	-\$32,273	-10.7

Highlights

Hawaii Medfly Rearing Facility. The CDFA is requesting \$11 million for a new Medfly Rearing Facility to help increase and stabilize sterile medfly production for the PRP. The department currently relies on a combination of one production facility operated by itself and two United States Department of Agriculture (USDA) facilities in Hawaii and Guatemala. The department contends that rising demand for USDA medflies and the debilitated condition of its current production facility has made supplying the PRP difficult. This

project would double medfly production by building a second production facility which would provide a sufficient and stable source of medflies for the PRP. The department estimates that it will cost an additional \$1.9 million to equip the facility and \$1.35 million in annual ongoing operating costs.

General Fund Reductions. The budget proposes just under \$5 million in General Fund reductions to various programs in this department. The impacted programs include the Weed and Vertebrate Program, the Biological Control Program, Agriculture Inspection Stations, and the “Buy California” Program.

Agriculture Fund Loan Extension. The budget proposes extending repayment of a \$15 million loan to the General Fund last year 2004-05.

Issues

Medfly Preventive Release Program. The budget proposes \$8.9 million from the General Fund and 138 positions to provide for Mediterranean Fruit Fly (medfly) preventative control efforts on an ongoing basis. The department began efforts to control the impact of the medfly on California’s agricultural industry in 1975. Since 1980, the state has spent around \$150 million from the General Fund to support this effort, with a similar amount provided by the federal government.

The current Preventative Release Program (PRP) began in 1996 and involves raising sterile medflies and releasing them throughout a 2,500 square mile area in the Los Angeles Basin. Total program costs are approximately \$18 million annually, shared equally between the state and federal government. The Legislature approved this as a five-year program with a June 30, 2001 sunset date. In both FY 2001-02 and FY 2002-03, the program was extended on one-year basis.

Two years ago, the Legislature directed CDFA to provide information detailing how the funding source for the PRP could be shifted in whole, or in part from the General Fund to the Agriculture Fund. A report was requested, due January 10, 2002, from the department to investigate alternative funding sources for the program. The PRP was funded for that budget year.

Last year, the department did not submit the report. The LAO recommended legislation to develop an assessment program that would equitably distribute half of the cost of the PRP across those industries that most benefit from the absence of the medfly, with the other half coming from the General Fund. The Legislature again requested a report for alternative funding sources for this program. The department agreed to contract with the University of California to study alternative funding sources for the PRP. The Legislature then reluctantly approved \$9.2 million for the program on a one-year basis.

This year, the Administration proposes a \$8.9 million budget for the PRP and to make it a permanent expenditure of the General Fund. Also proposed in the budget is capital outlay project of \$11 million for a new Medfly Rearing Facility in Hawaii to be funded by the General Fund (see **Highlights** section below).

Until the Legislature receives a report from the department, it is extremely difficult to consider any alternative revenue source for the PRP. In light of the condition of the General Fund and the lack of responsiveness by the department to Legislative requests for the past two years, the Legislature should consider delaying approval for the PRP program and the related capital outlay project until a assessment proposal or alternative revenue source can be secured for the long term viability of this program.

8690 Seismic Safety Commission

The Seismic Safety Commission was established to improve earthquake preparedness and safety in California. Specifically, the commission is responsible for providing a consistent framework for earthquake-related programs and coordinating the administration of these programs throughout the state government. The 17-member commission performs policy studies, reviews programs, investigates earthquake incidents, and conducts hearings on earthquake safety. The commission advises the

Legislature and the Governor on Legislative proposals, the state budget, and grant proposals relating to earthquake safety.

The budget proposes total expenditures of \$959,000 (\$0 General Fund) a decrease of \$197,000 (17 percent) from the current-year budget.

Summary of Expenditures (dollars in thousands)	2002-2003	2003-2004	\$ Change	% Change
General Fund	\$881	\$0	-\$881	-100.0
Insurance Fund	0	884	884	0.0
Earthquake Emergency Investigations Account	100	0	-100	-100.0
Reimbursements	175	75	-100	-57.1
Total	\$1,156	\$959	-\$197	-17.0

Highlights

Funding for the Seismic Safety Commission. The budget proposes shifting funding support for the commission from the General Fund to the Insurance Fund. The insurance fund would raise the additional revenue through a proposed earthquake insurance policy fee of \$1 per policy sold statewide.

8830 California Law Revision Commission

The primary objective of the California Law Revision Commission is to make recommendations to the Governor and the Legislature for revision of the law. The CLRC assists the Governor and the Legislature in keeping the law up to date by studying complex subjects, identifying major policy questions for legislative attention, gathering the views of interested persons and organizations, and drafting recommended legislation for consideration.

Issues

Elimination of the Commission. The CLRC is proposed for elimination. Last year, the commission was funded through the General Fund for \$660,000 and has 5 staff positions. The CLRC provides an commonly unknown, yet valuable service to the Legislature, most recently in recommending code changes to facilitate municipal and superior court consolidation in California, amongst other projects. In light of the condition of the General Fund, possible reductions of \$95,000 for the budget year have been identified as an alternative to elimination.

8840 Commission on Uniform State Laws

In conjunction with other states, the Commission on Uniform State Laws (CUSL) drafts and presents to the Legislature uniform laws deemed desirable and practicable by the National Conference of Commissioners on Uniform State Laws for adoption by various states.

Highlights

Elimination of the Commission. The CUSL is proposed for elimination. Last year, the commission was funded through the General Fund for \$138,000.